Sol-Gel

Advanced Topical Therapy

NASDAQ: SLGL

August 2020

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “future,” “outlook,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” “continue,” or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. The forward-looking statements in this presentation relate to, among other things, statements regarding our anticipated NDA submission dates for EPSOLAY and TWYNEO, estimated timing for the approval and commercial launch of EPSOLAY and TWYNEO, and estimated sales of our product candidates. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties, and other important factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statement, including but not limited to the following: risks relating to the timing of the submission of an NDA for EPSOLAY and an NDA for TWYNEO; the fact that we have and expect to continue to incur significant losses; our need for additional funding, which may not be available; our ability to complete the development of, and obtain marketing approval for, our product candidates; our ability to obtain and maintain regulatory approvals for our product candidates in our target markets and the possibility of adverse regulatory or legal actions relating to our product candidates even if regulatory approval is obtained; our ability to commercialize and launch our product candidates; our ability to obtain and maintain adequate protection of our intellectual property; our ability to manufacture our product candidates in commercial quantities, at an adequate quality or at an acceptable cost; our ability to establish adequate sales, marketing, and distribution channels; acceptance of our product candidates by healthcare professionals and patients; the possibility that we may face third-party claims of intellectual property infringement; the timing and results of clinical trials that we may conduct or that our competitors and others may conduct relating to our or their products; intense competition in our industry; potential product liability claims; potential adverse federal, state, and local government regulation in the United States, Europe, or Israel; the impact of pandemics, such as COVID-19 (coronavirus); and loss or retirement of key executives and research scientists. These and other important factors discussed in the Company's Annual Report on Form 20-F filed with the Securities and Exchange Commission (“SEC”) on March 24, 2020, and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this presentation. Any such forward-looking statements represent management’s estimates as of the date of this presentation. While we may elect to update such forward-looking statements at some point in the future, unless required by applicable law, we disclaim any obligation to do so, even if subsequent events cause our views to change. Thus, one should not assume that our silence over time means that actual events are bearing out as expressed or implied in such forward-looking statements. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this presentation.

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OVERVIEW

OUR DERMATOLOGY COMPANY

TECHNOLOGY

- Proprietary silica-based microencapsulation technology

EPSOLAY®

- NDA was submitted in June 2020
- Potential to be the first single-active BPO approved by the FDA as a prescription drug product

TWYNEO®

- Positive Phase III results in acne vulgaris
- NDA submission expected in 2H/20
- Potential to be first FDA-approved acne treatment that contains fixed-dose combination of BPO and tretinoin

SGT-210

- Ongoing Phase I proof-of-concept study for erlotinib gel in palmoplantar keratoderma
- Results expected next year

EARLY STAGE

- Pending patent applications for tapinarof and roflumilast in various skin conditions

GENERICS

- Ten 50/50 gross profit-sharing collaborations with Perrigo
- $22.8 million in net revenues last year
- $4.5 million in net revenues in 1H/20

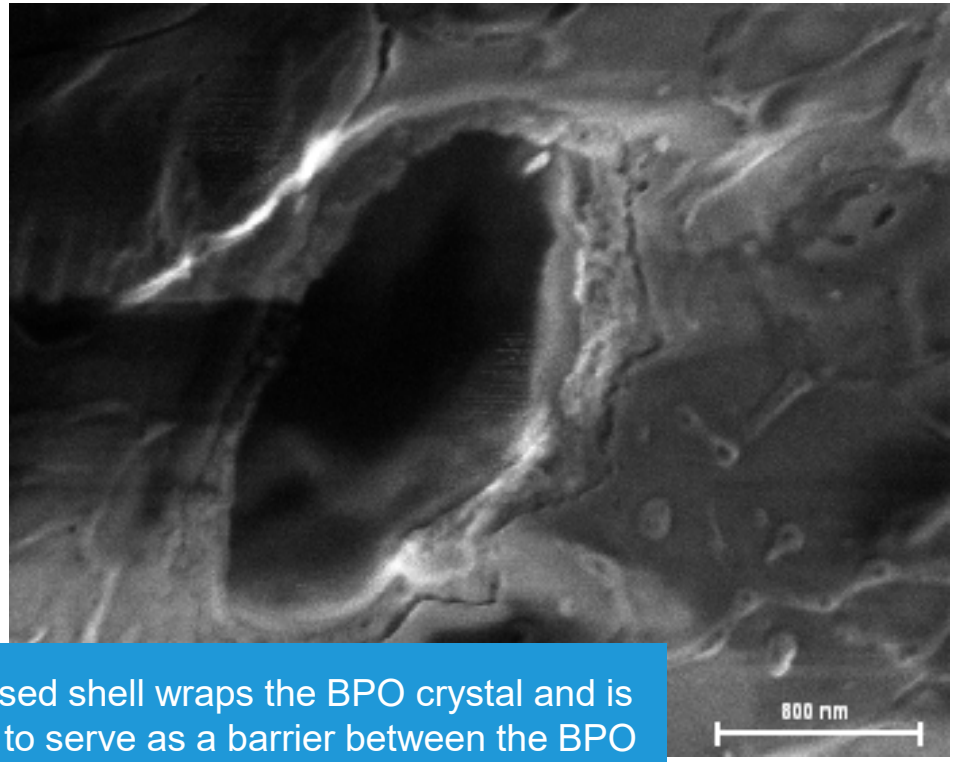
THE SCIENCE BEHIND OUR PROPRIETARY TECHNOLOGY

Aiming to provide effective and tolerable topical therapies to achieve local action

ENCAPSULATION IS DESIGNED TO ALLOW FOR CONTINUOUS FLOW

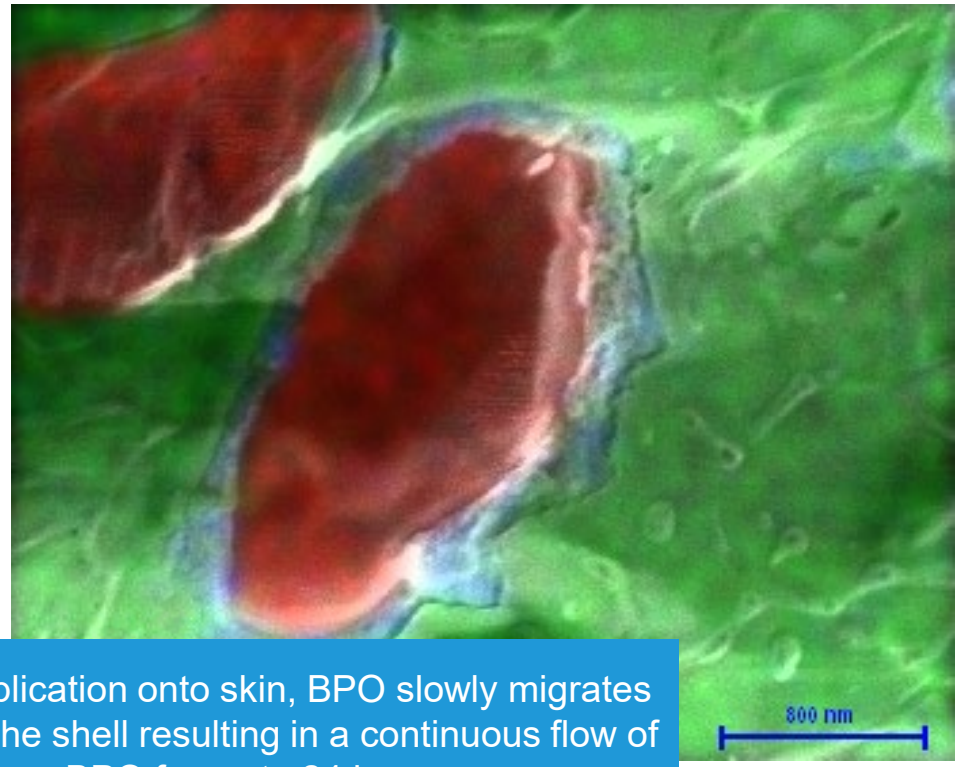
ENCAPSULATED BENZOYL PEROXIDE (E-BPO)

CRYO-SEM PICTURE



Silica-based shell wraps the BPO crystal and is intended to serve as a barrier between the BPO crystals and the skin

ENERGY-DISPERSIVE X-RAY SPECTROSCOPY MAPPING



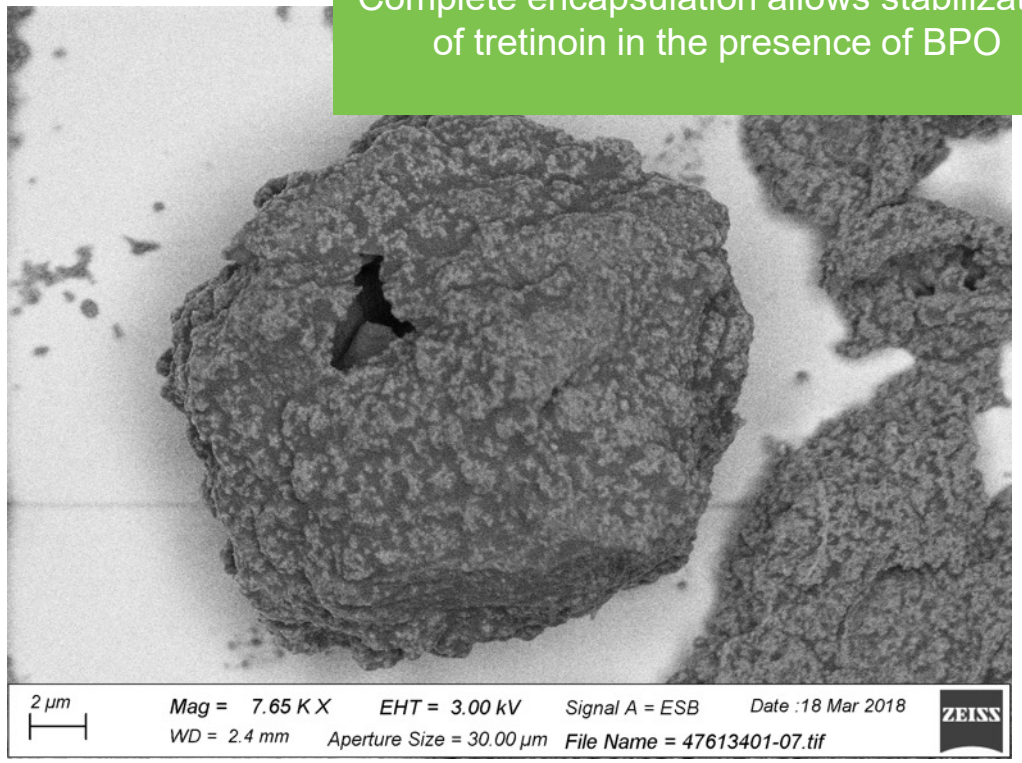
After application onto skin, BPO slowly migrates through the shell resulting in a continuous flow of BPO for up to 24 hours

ENCAPSULATION IS DESIGNED TO ENHANCE STABILITY

ENCAPSULATED TRETINOIN (E-TRETINOIN)

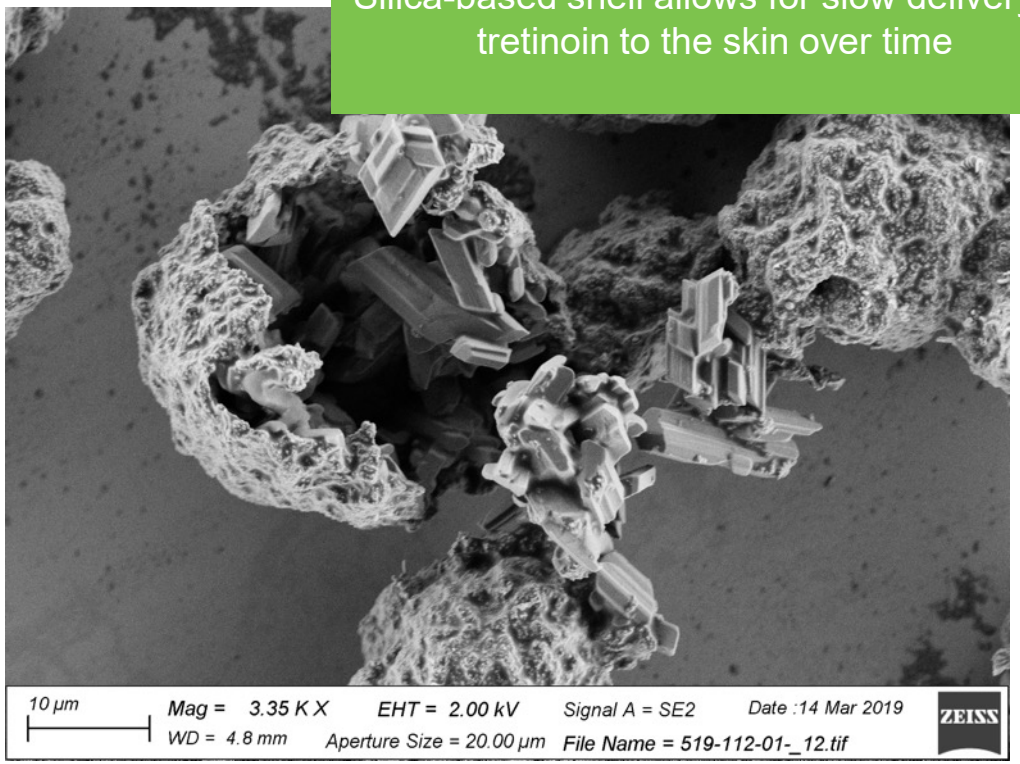
SEM PICTURE

Complete encapsulation allows stabilization of tretinoin in the presence of BPO



SEM PICTURE

Silica-based shell allows for slow delivery of tretinoin to the skin over time



THE CHALLENGE

CHRONIC CONDITION WITH POOR ADHERENCE TO CURRENT TREATMENTS

UNMET NEED IN PAPULOPUSTULAR ROSACEA

Papulopustular Rosacea

Chronic, inflammatory condition that primarily affects the face and is often characterized by flushing, redness, inflamed bumps, and pustules

How is it Treated?

- Topical antimicrobials (metronidazole, clindamycin)
- Topical anti-mite (ivermectin)
- Systemic antibiotics (minocycline, doxycycline)

Current Treatment Shortfalls

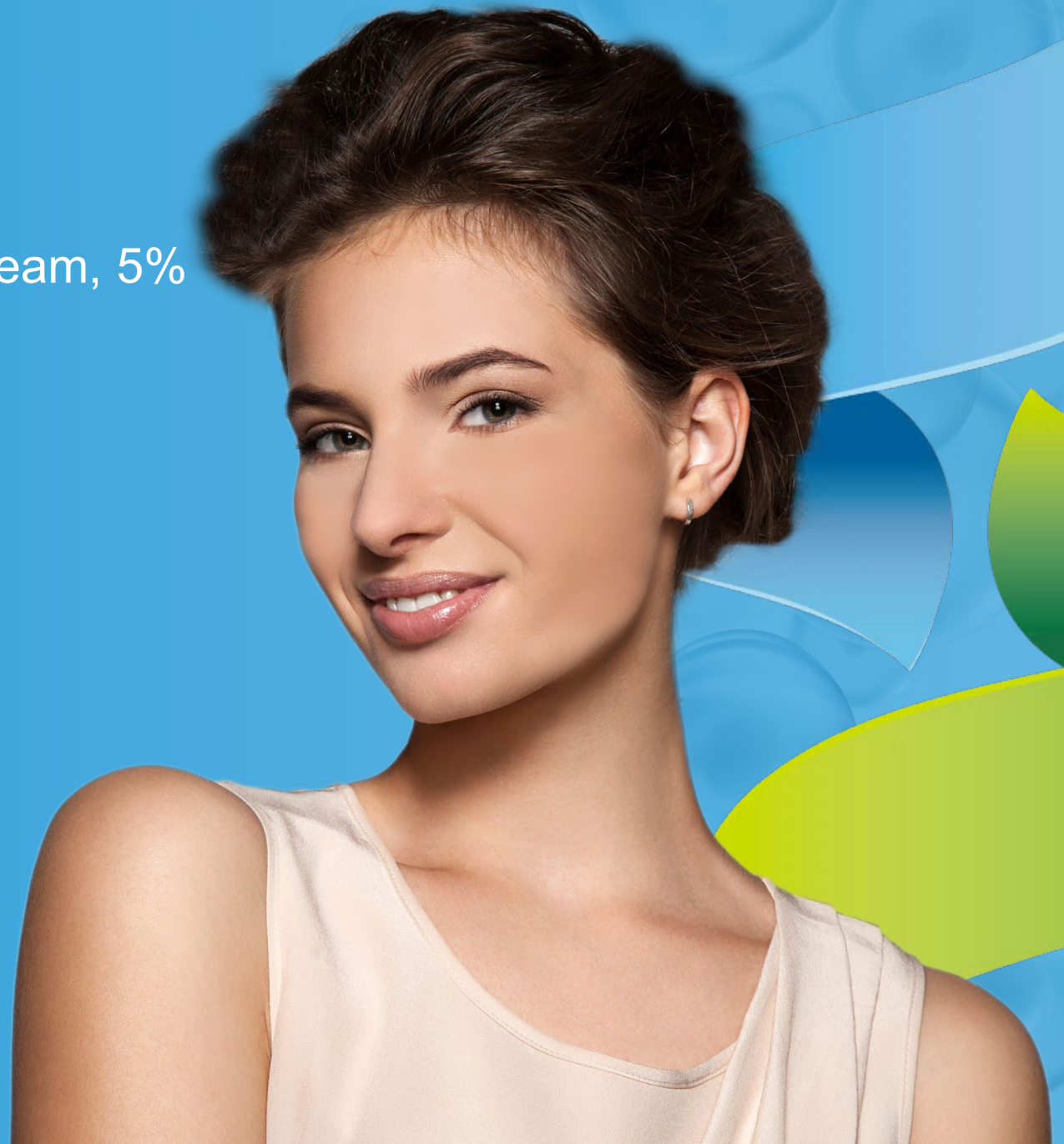
- Insufficient efficacy resulting in poor adherence
- Systemic side effects
- Contributing to antibiotic resistance

SOL-GEL SOLUTION*

EPSOLAY®

Encapsulated Benzoyl Peroxide Cream, 5%

- Encapsulation was designed to allow the BPO to slowly migrate from the microcapsules to help reduce irritation
- NDA was submitted in June 2020
- Potential to be the first single-active BPO approved by the FDA as a prescription drug product



* EPSOLAY is investigational. Safety and efficacy have not been established

EPSOLAY®
PHASE III STUDIES

Two Parallel, Multicenter, Double-Blinded, Randomized, Vehicle-Controlled Studies, 2:1 Ratio, QD

PHASE III DESIGN

TWO CO-PRIMARY EFFICACY ENDPOINTS AT WEEK 12

Inclusion Criteria	≥18 years old; “Moderate” or “Severe” acne; ≥15 to ≤70 inflammatory lesions; ≤2 nodules
How is it Treated?	Weeks 2, 4, 8, 12 (end of study)
Investigator Global Assessment (IGA) Definition	• **“Clear”:** Skin clear of inflammatory papules or pustules • **“Almost Clear”:** Very few small papules or pustules and very mild dull erythema is present • **“Mild”:** Few small papules or pustules and mild dull or light pink erythema is present • **“Moderate”:** Several to many small or larger papules or pustules and moderate light to bright red erythema is present • **“Severe”:** Numerous small and/or larger papules or pustules and severe erythema that is bright red to deep red is present
Primary Endpoints	• **Proportion of patients with IGA “Clear” or “Almost Clear” relative to baseline at Week 12** • **Absolute mean change in inflammatory lesion counts from baseline to Week 12**

PHASE III CHARACTERISTICS

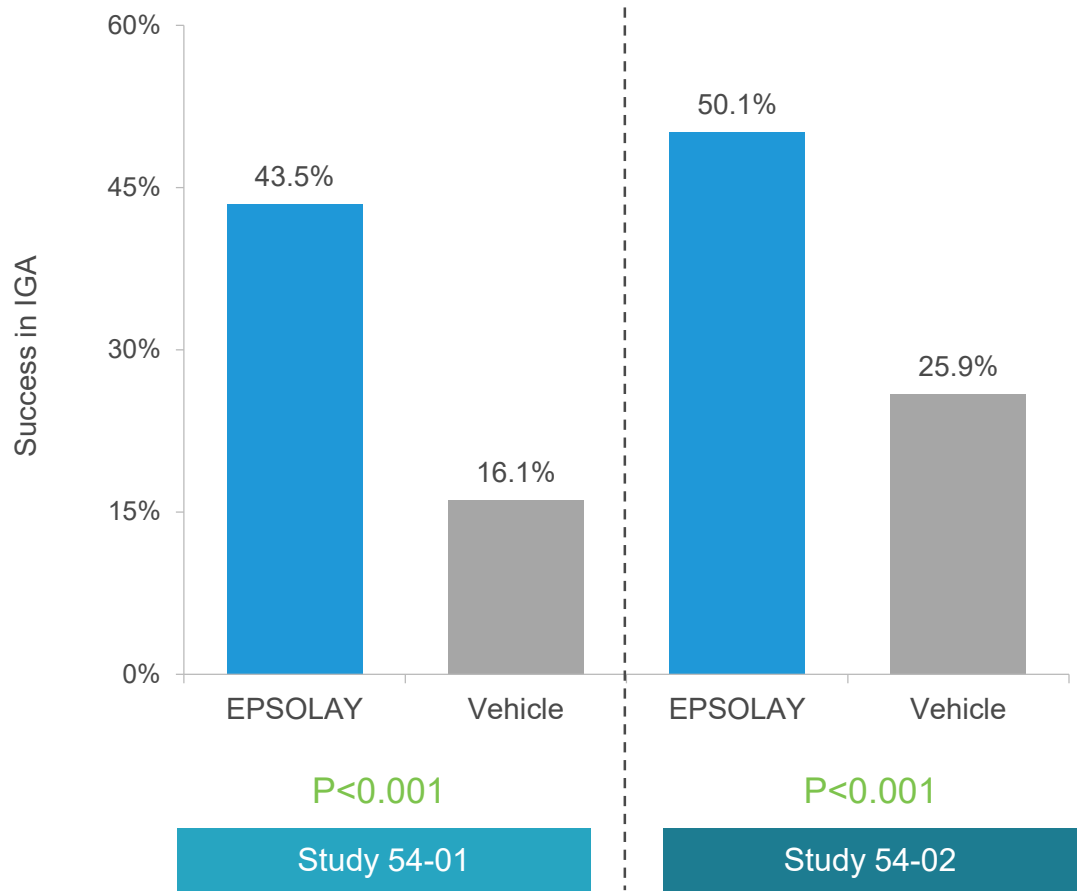
WELL-BALANCED CLINICAL STUDIES

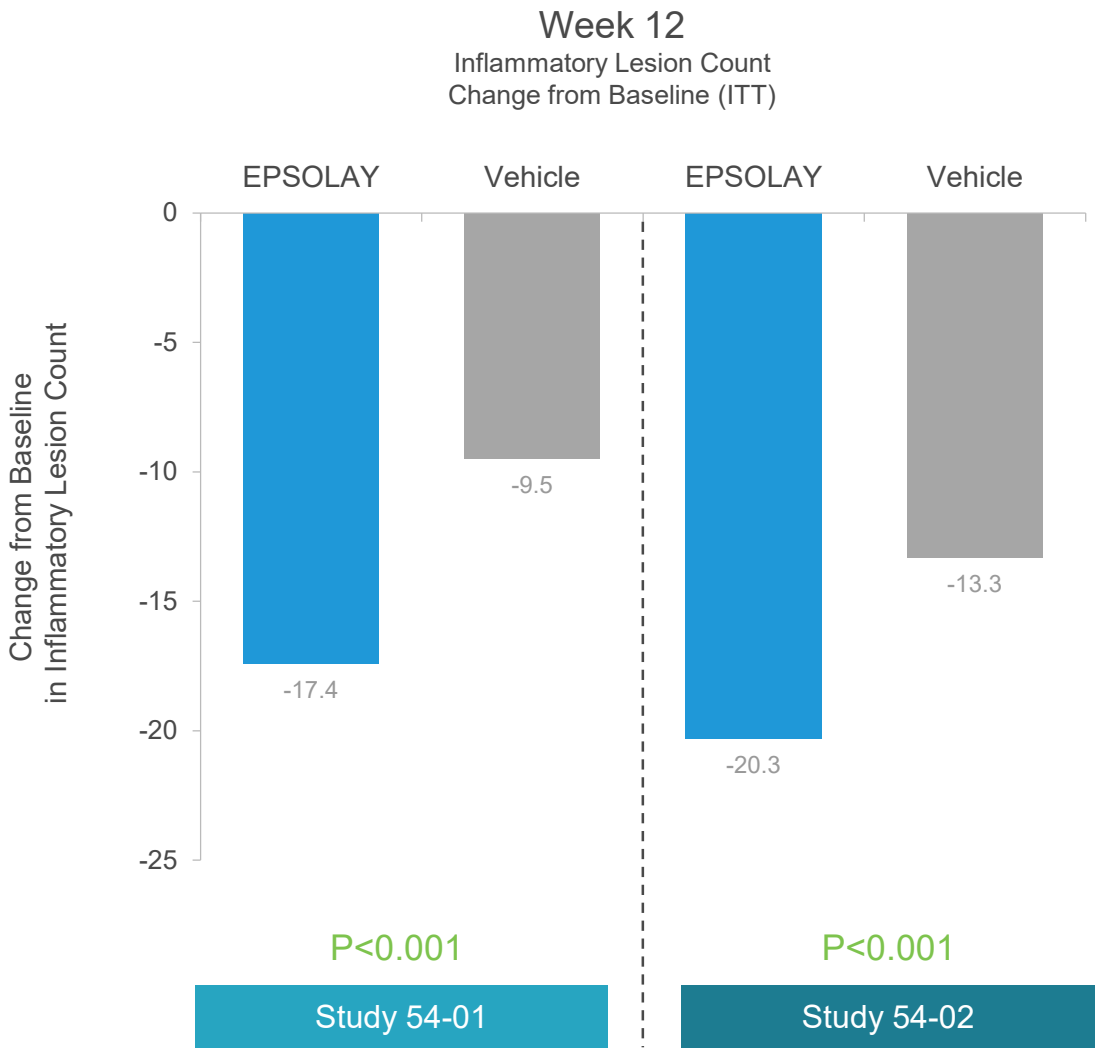
Baseline, Discontinuation & Completion		Study 54-01		Study 54-02	
		EPSOLAY	Vehicle	EPSOLAY	Vehicle
Baseline	IGA "Moderate" Subjects	210 (86.4%)	104 (88.1%)	227 (90.8%)	112 (91.8%)
	IGA "Severe" Subjects	33 (13.6%)	14 (11.9%)	23 (9.2%)	10 (8.2%)
	Mean Inflammatory Lesion Count (SD)	25.7 (11.07)	26.3 (12.45)	29.8 (14.00)	27.5 (13.04)
	Median Inflammatory Lesion Count (range)	22.0 (15-69)	21.0 (15-70)	25.0 (15-70)	22.5 (15-70)
Discontinued Subjects	Withdrawal by Subject	9	3	9	4
	Adverse Events	5	1	4	0
	Lost to Follow-Up	6	6	1	4
	Pregnancy/Protocol Violation/Other	1	1	1	1
Intention-to-Treat (ITT)		**243**	118	**250**	122

SD = Standard Deviation

PHASE III RESULTS

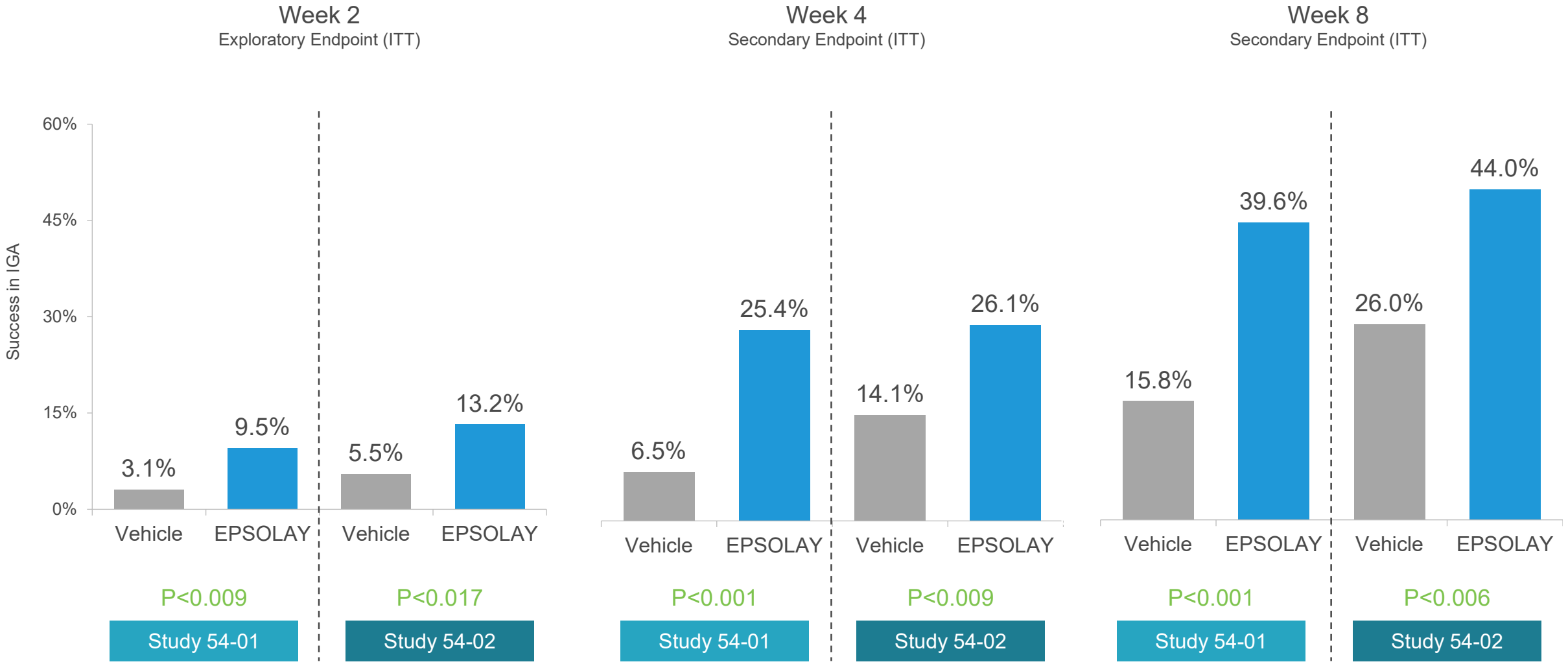
SUCCESS IN PRIMARY ENDPOINTS





SUCCESS IN IGA

IMPROVEMENT AS OF WEEK 2



REDUCTION OF LESIONS

IMPROVEMENT AS OF WEEK 2

Subject 116-009 || 41 years old | Female | White | Not Hispanic or Latino*

ONSET OF ACTION AS OF WEEK 2

BASELINE

"Severe"; 31 inflamed lesions

WEEK 2

"Clear"; No inflamed lesions

WEEK 4

"Clear"; No inflamed lesions

WEEK 8

"Clear"; No inflamed lesions

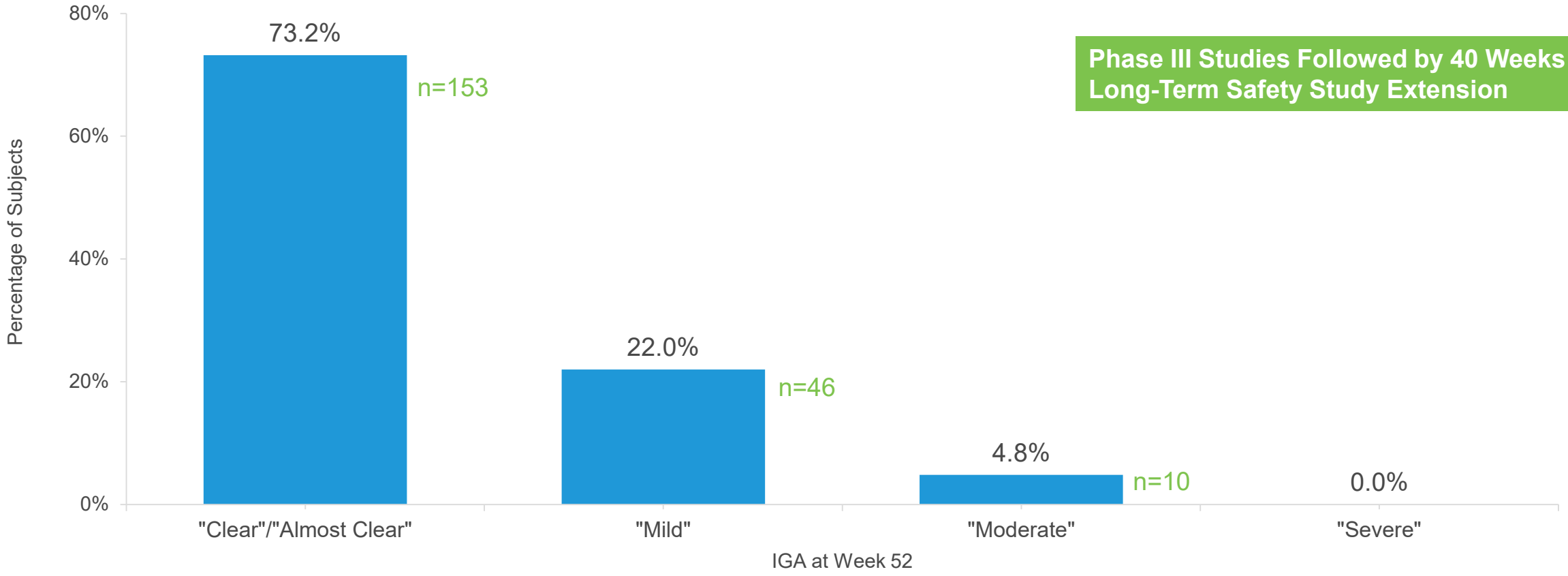
WEEK 12

"Almost Clear"; 1 inflamed lesion

* Individual results vary

LONG-TERM SAFETY STUDY

IMPROVEMENT IN IGA*

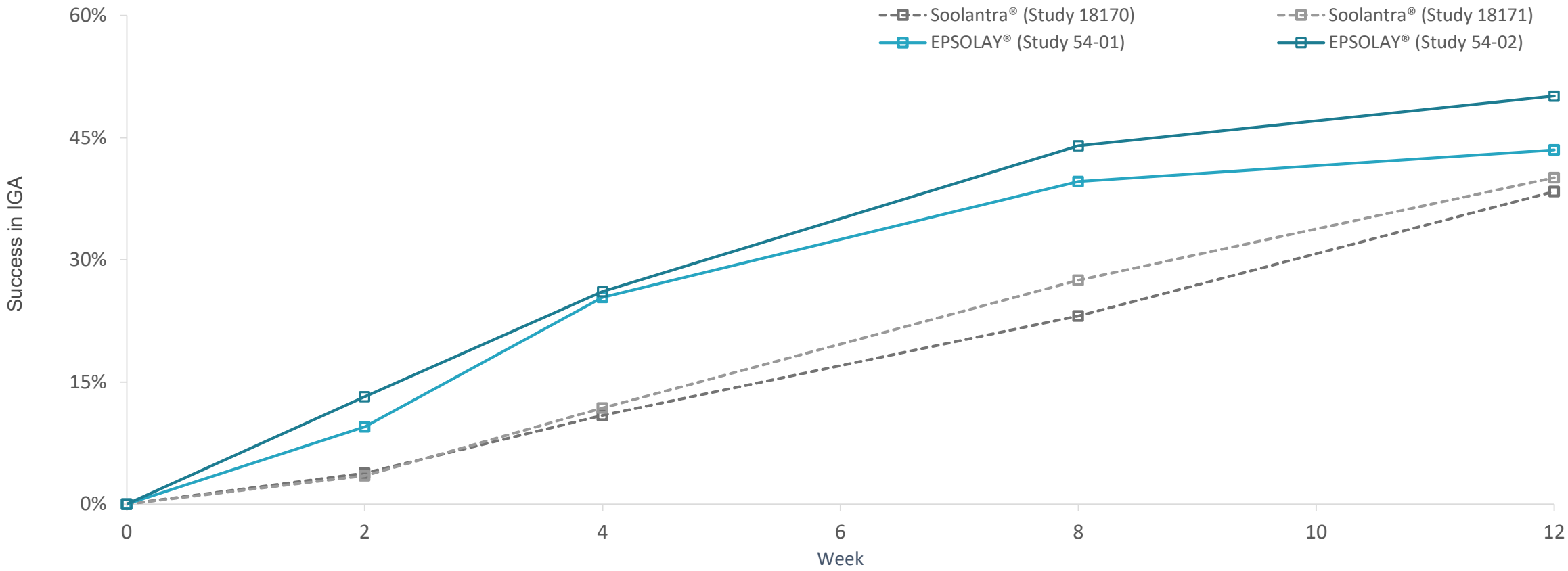


Phase III Studies Followed by 40 Weeks Long-Term Safety Study Extension

* This study was not designed for efficacy; however, efficacy was evaluated. Interpret results with caution

SIDE-BY-SIDE WITH HISTORICAL RESULTS*

IMPROVEMENT OVER TIME



* Sol-Gel did not conduct a head-to-head comparison trial or study. The results described above are for illustrative purposes only and should not be construed as conclusions to be drawn as if we conducted a head-to-head comparison trial or study

SIDE-BY-SIDE WITH HISTORICAL RESULTS*

PRIMARY ENDPOINTS

Difference from Vehicle

	EPSOLAY® 12-week study		soolantra® (IVERMECTIN) CREAM, 1% 12-week study		Finacea® (azelaic acid) Foam, 15% 12-week study		metrogel 1% 10-week study		Oracea® (doxycycline, USP) 16-week study Per os		zilxi™ (minocycline) topical foam, 1.5% 12-week study	
	Study 54-01	Study 54-02	Study 18170	Study 18171	Study 120	Study 846	NDA 21-789	Study 301	Study 302	FX2016-11	FX2016-12
Success in IGA	27.4%	24.2%	26.8%	21.3%	10.9%	8.7%	10.91%	11.3%	8.5%	9.1%	10.1%
Inflammatory Lesion Percent Change from Baseline	-23.4%	-29.9%	-23.3%	-22.3%	-14.7%	-10.8%	-18.1%	-32.0%	-26.0%	-7.6%	-11.3%
Baseline Characteristics of Active Arm – IGA – Severe	33	23	82	113	26	65	0	52	48	51	71
Baseline Characteristics of Active Arm – IGA – Moderate	210	227	369	346	172	418	557	67	77	444	443
Baseline Characteristics of Active Arm – IGA – Mild	0	0	0	0	0	0	0	8	17	0	0
Baseline Characteristics of Active Arm – Inflammatory Lesions	25.7	29.8	31.0	33.3	21.6	21.7	18.3	19.5	20.5	28.5	30.0

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PRIMARILY MILD-TO-MODERATE

TREATMENT-EMERGENT ADVERSE EVENTS

Subjects with Treatment-Emergent Adverse Events (TEAEs)	Study 54-01		Study 54-02	
	EPSOLAY (n=239)	Vehicle (n=113)	EPSOLAY (n=249)	Vehicle (n=120)
Treatment-Related Mild & Moderate TEAEs	12 (5%)[^]	3 (2.7%)[^]	8 (3.2%)[^]	0
Treatment-Related Severe TEAEs	2 (0.8%)[¥]	0	1 (0.4%)[*]	0
Not-Related TEAEs	35 (14.6%)	14 (12.4%)	41 (16.5%)	22 (18.2%)
Not-Related Serious TEAEs	0	1 (0.9%)[†]	1 (0.4%)[‡]	0

[^] Most frequently reported adverse events being application site erythema, pain and pruritus

[¥] One subject with application site erythema and another with application site pruritus and pain

[*] One subject with application site erythema

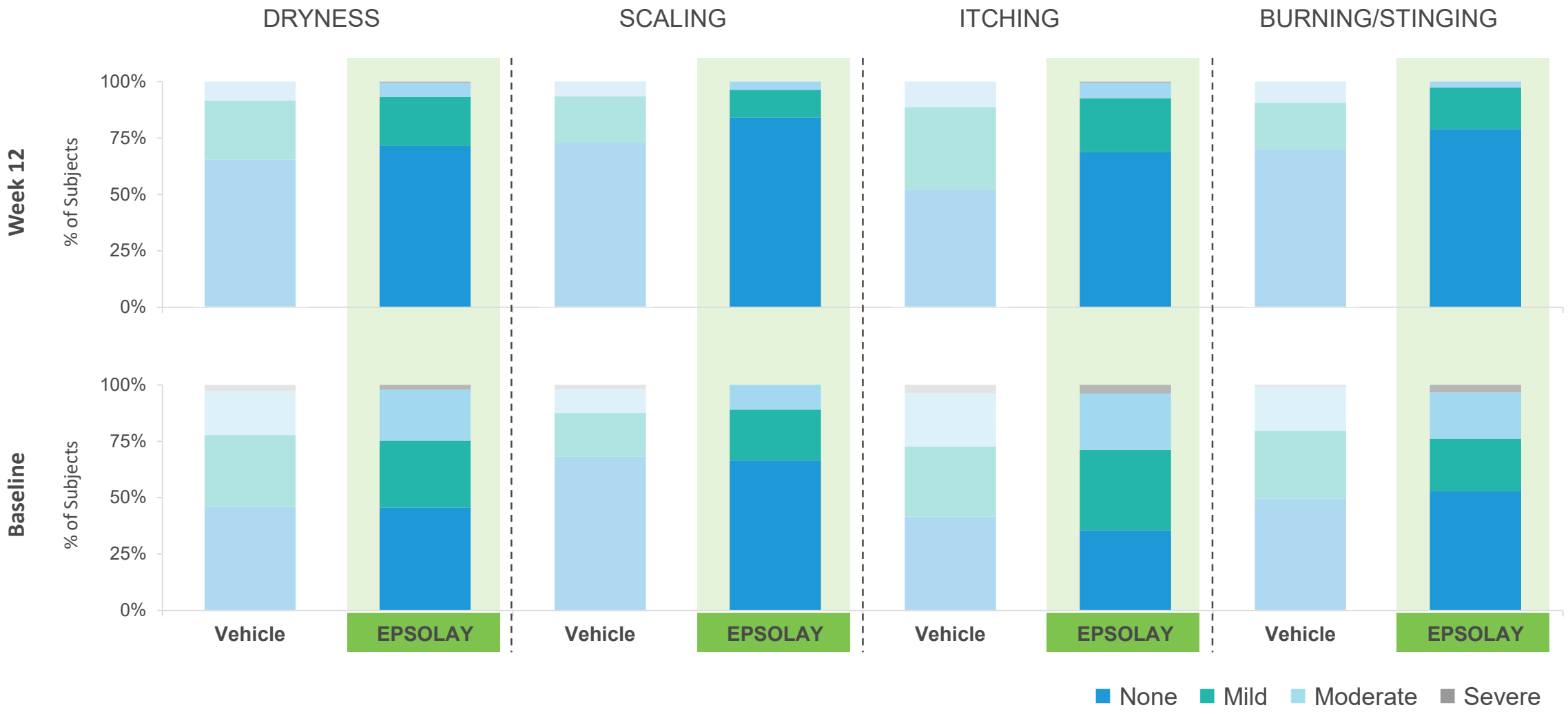
[†] One subject with femur fracture

[‡] One subject with spinal compression fracture

FEWER AT WEEK 12 THAN AT BASELINE

LOCAL SKIN IRRITATIONS

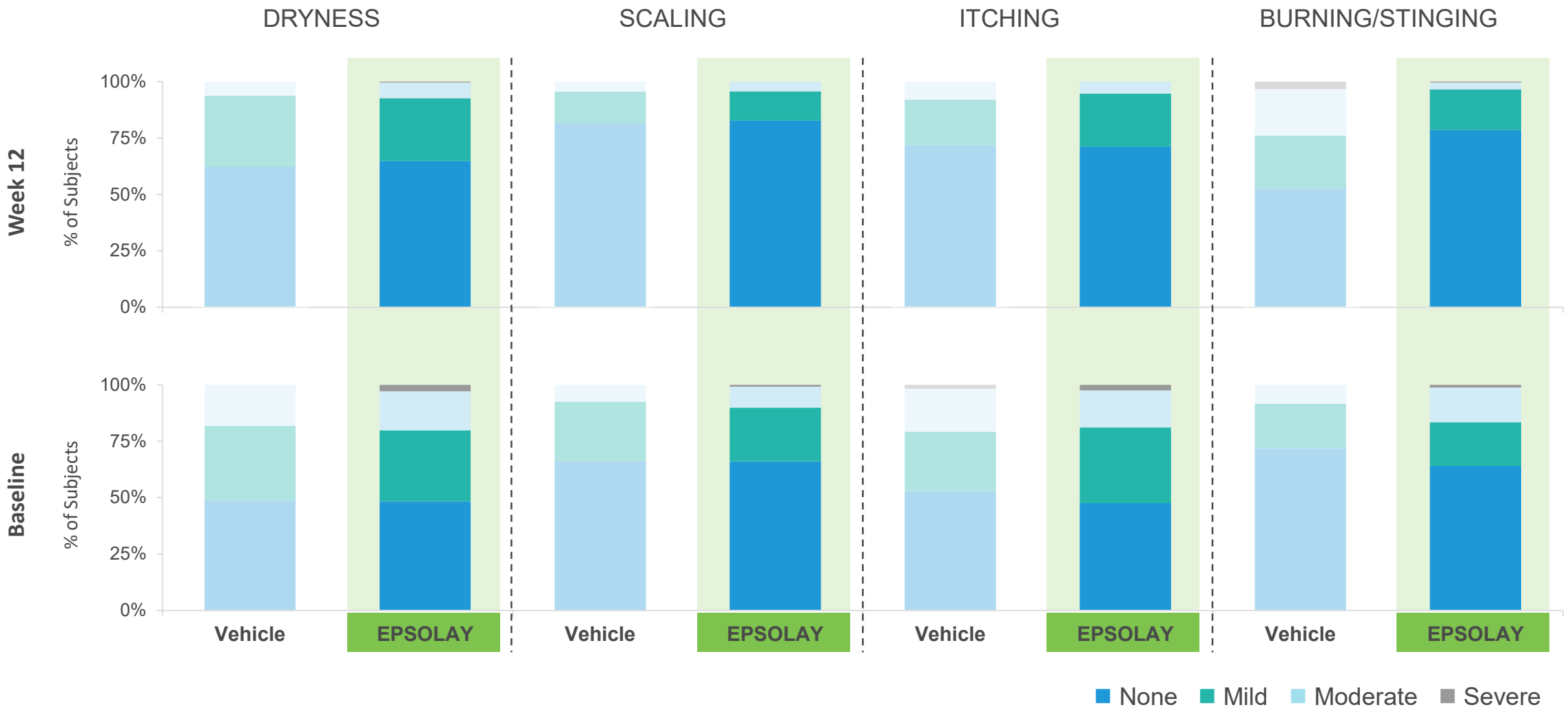
Study 54-01



COMPARABLE TO VEHICLE

LOCAL SKIN IRRITATIONS

Study 54-02



THE CHALLENGE

MULTIFACTORIAL DISEASE REQUIRING POWERFUL COMBINATION TREATMENTS

UNMET NEED IN ACNE VULGARIS

Acne Vulgaris

A multifactorial disease of the pilosebaceous unit, involving abnormalities in sebum production, follicular epithelial desquamation, bacterial proliferation, and inflammation

How is it Treated?

- Topical BPO, retinoids (such as tretinoin, adapalene), antibiotics, and their combinations
- Oral Isotretinoin and antibiotics

Current Treatment Shortfalls

- Insufficient efficacy negatively affects self-esteem
- Systemic side effects
- Contributes to antibiotic resistance

SOL-GEL SOLUTION*

TWYNEO®

Encapsulated Benzoyl Peroxide 3% & Encapsulated Tretinoin 0.1%, Cream

- Encapsulation was designed to stabilize tretinoin and to enable both tretinoin and BPO to slowly migrate from their microcapsules to help reduce irritation
- NDA submission expected in 2H/20
- Potential to be first FDA-approved acne treatment that contains fixed-dose combination of BPO and tretinoin

* TWYNEO is investigational. Safety and efficacy have not been established

TWYNEO®
PHASE III STUDIES

Two Parallel, Multicenter, Double-Blinded, Randomized, Vehicle-Controlled Studies, 2:1 Ratio, QD

PHASE III DESIGN

THREE CO-PRIMARY EFFICACY ENDPOINTS AT WEEK 12

Inclusion Criteria	≥9 tears old; “Moderate” or “Severe” acne; ≥20 to ≤100 inflammatory lesions; ≥30 to ≤150 non-inflammatory lesions; ≤2 cysts/nodules
Visits	Weeks 2, 4, 8, 12 (end of study)
Investigator Global Assessment (IGA) Definition	• **“Clear”:** Normal, clear skin with no evidence of acne vulgaris • **“Almost Clear”:** Rare non-inflammatory lesions present, with rare non-inflamed papules (papules must be resolving and may be hyperpigmented, though not pink-red) • **“Mild”:** Some non-inflammatory lesions are present, with few inflammatory lesions (papules/pustules only; no nodulo-cystic lesions) • **“Moderate”:** Multiple Non-inflammatory lesions and, inflammatory lesions are evident (several to many comedones and papules/pustules, and there may or may not be one small nodulo-cystic lesion) • **“Severe”:** Inflammatory lesions are more apparent, many comedones and papules/pustules, there may or may not be a few nodulo-cystic lesions
Primary Endpoints	• **Proportion of subjects with an assessment of "Clear" or "Almost Clear" and with at least a 2-grade improvement in IGA from baseline at Week 12** • **Absolute change in inflammatory lesion counts from baseline at Week 12** • **Absolute change in non-inflammatory lesion counts from baseline at Week 12**

PHASE III CHARACTERISTICS

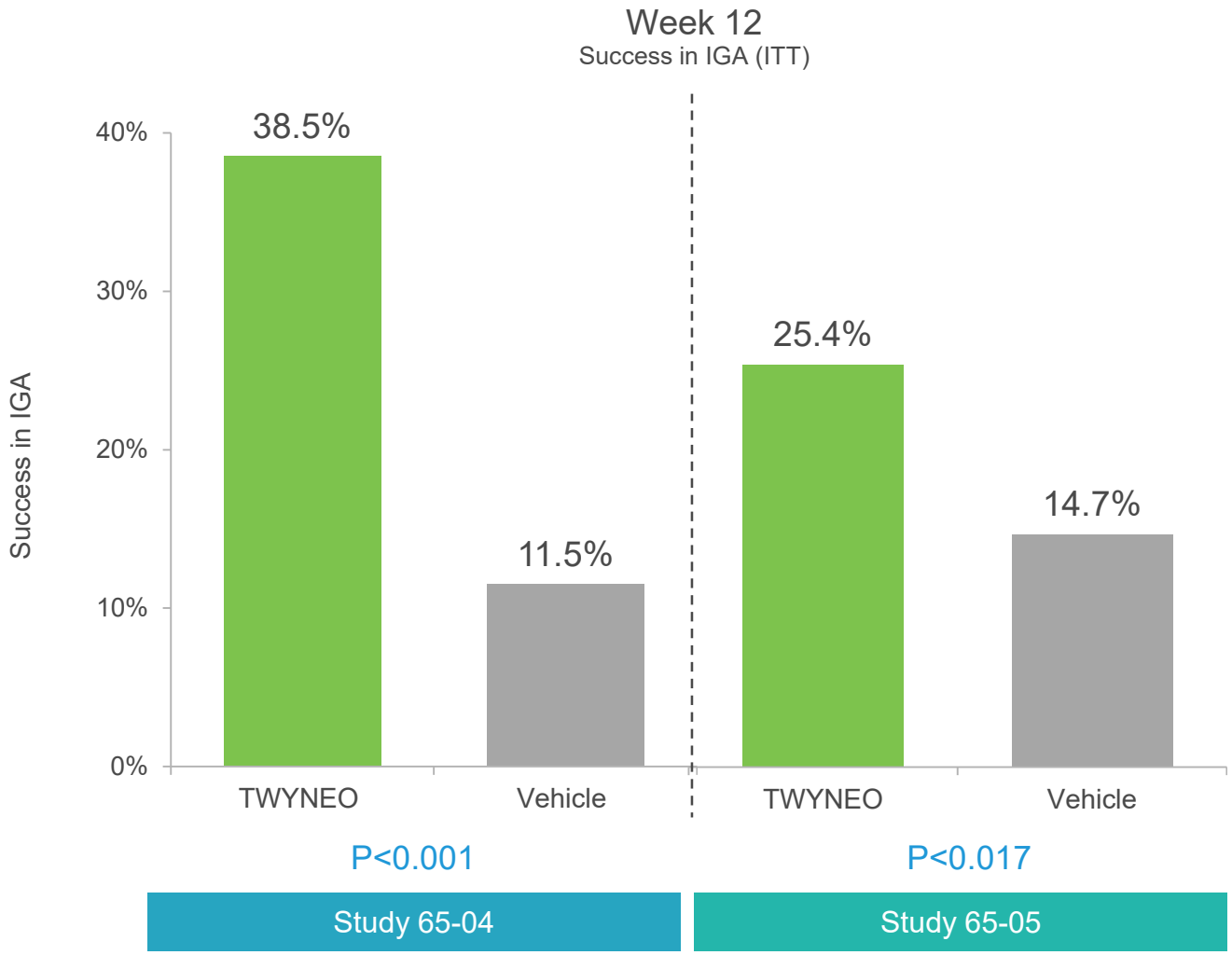
WELL-BALANCED CLINICAL STUDIES

Baseline, Discontinuation & Completion		Study 65-04		Study 65-05	
		TWYNEO	Vehicle	TWYNEO	Vehicle
Baseline	IGA "Moderate" Subjects	251 (89.3%)	132 (92.3%)	262 (90.3%)	133 (93.0%)
	IGA "Severe" Subjects	30 (10.7%)	11 (7.7%)	28 (9.7%)	10 (7.0%)
	Mean Inflammatory Lesion Count (SD)	33.5 (14.62)	33.5 (14.69)	28.2 (8.70)	27.5 (8.52)
	Median InflammatoryLesion Count (range)	28.0 (20-92)	28.0 (20-90)	25.0 (20-62)	25 (20-75)
	Mean Non-InflammatoryLesion Count (SD)	48.6 (20.24)	47.1 (19.97)	44.6 (18.03)	44.9 (18.82)
	Median Non-Inflammatory Lesion Count (range)	42.0 (30-148)	41.0 (30-140)	39.0 (23-149)	38.0 (30-123)
Discontinued Subjects	Withdrawal by Subject/Parent/Guardien	13	5	18	5
	Adverse Events	4	0	12	0
	Lost to Follow-Up	10	7	15	7
	Pregnancy/Protocol Violation/Physician Decision/Other	5	0	3	0
Intention-to-Treat (ITT)		**281**	**143**	**290**	**144**

SD = Standard Deviation

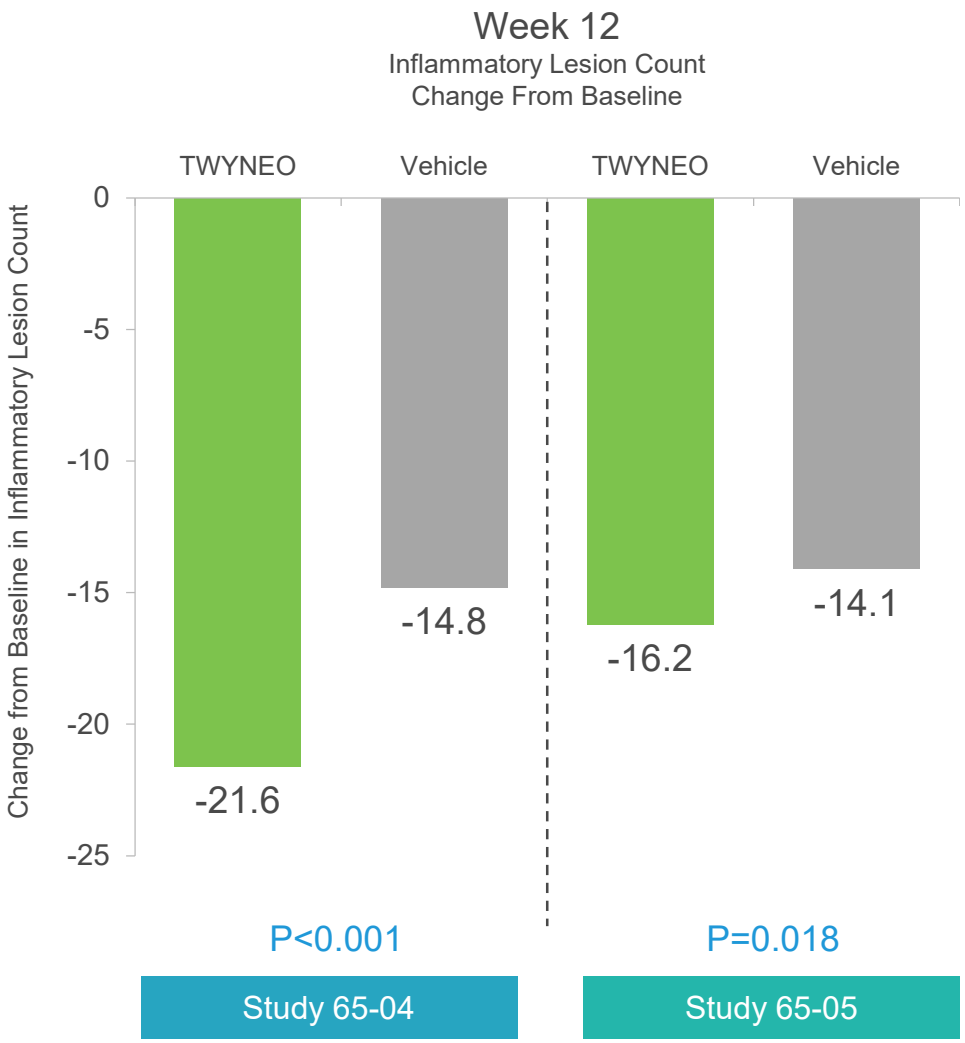
PHASE III RESULTS

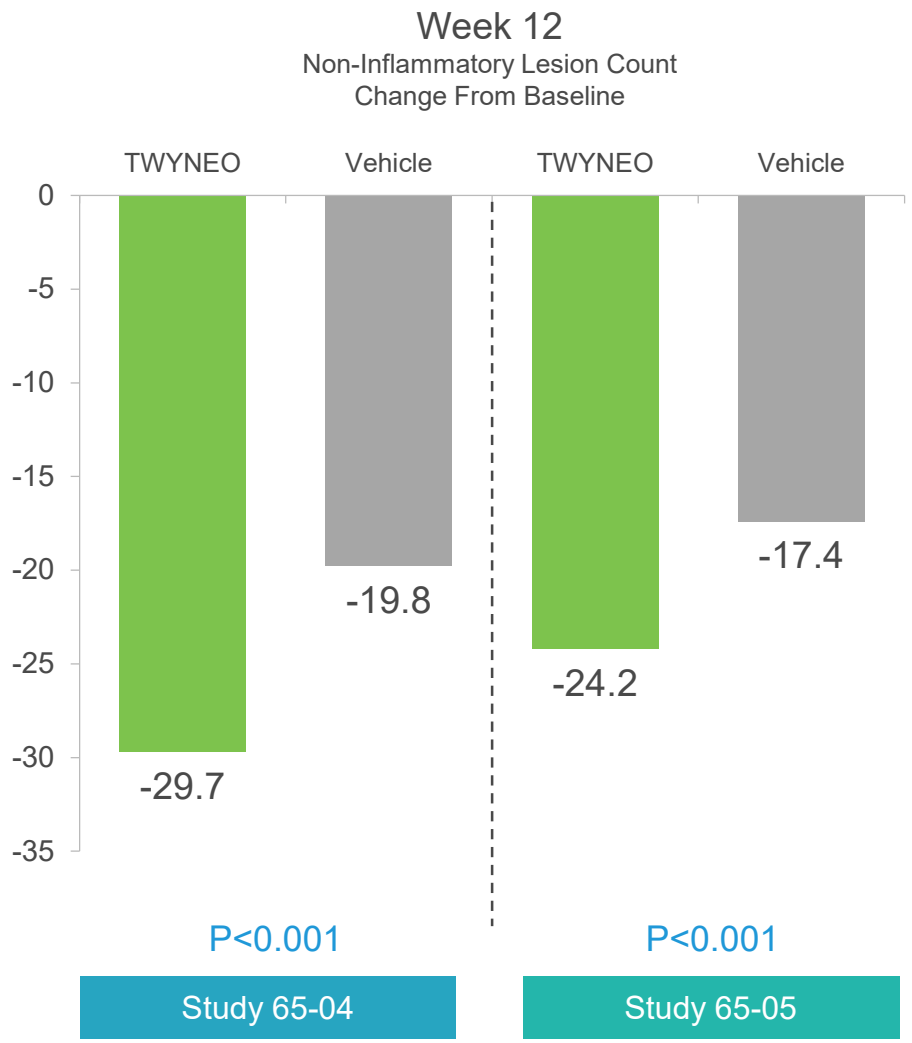
SUCCESS IN IGA



PHASE III RESULTS

SUCCESS IN REDUCING LESIONS





Subject 507-003 || 18 years old | Female | White | Not Hispanic or Latino*

IMPROVEMENT IN SEVERE PATIENT

BASELINE

"Severe"; 29 inflamed lesions
31 non-inflamed lesions; 1 nodule

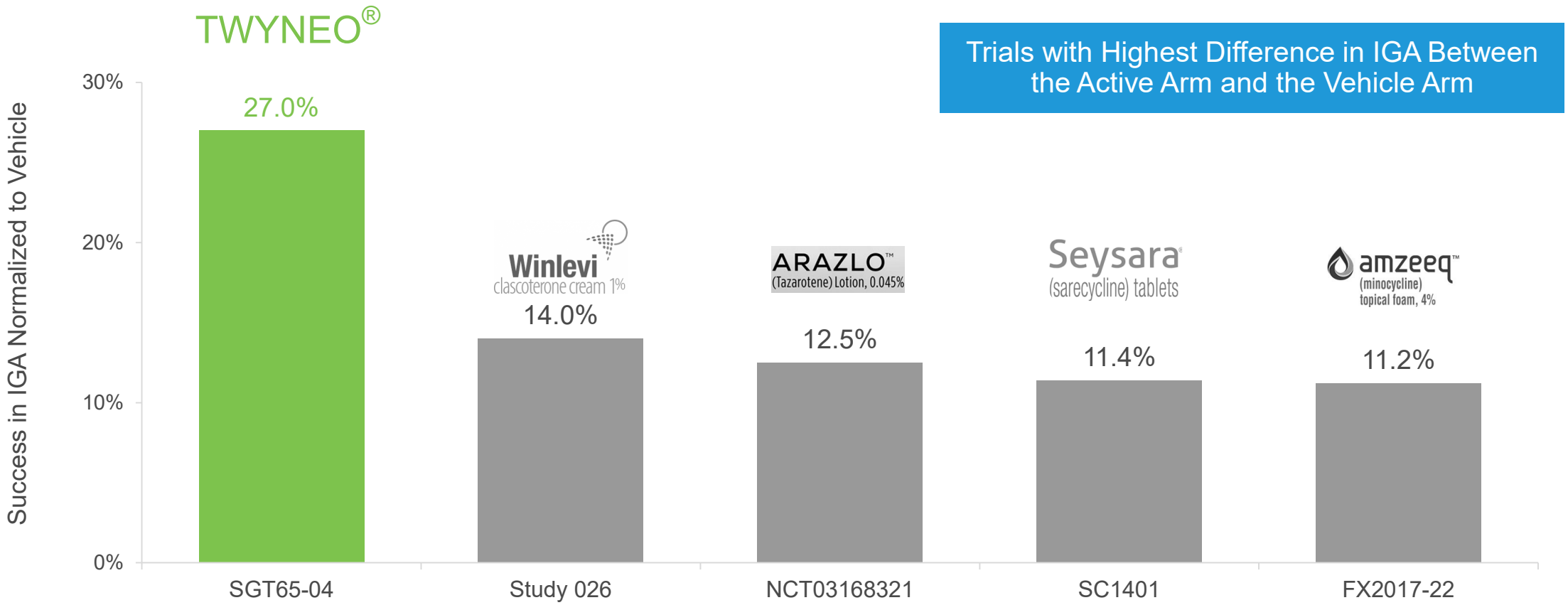
WEEK 12

"Moderate"; 9 inflamed lesions
5 non-inflamed lesions; No nodules

* Individual results vary

SIDE-BY-SIDE WITH HISTORICAL RESULTS*

SUCCESS IN IGA



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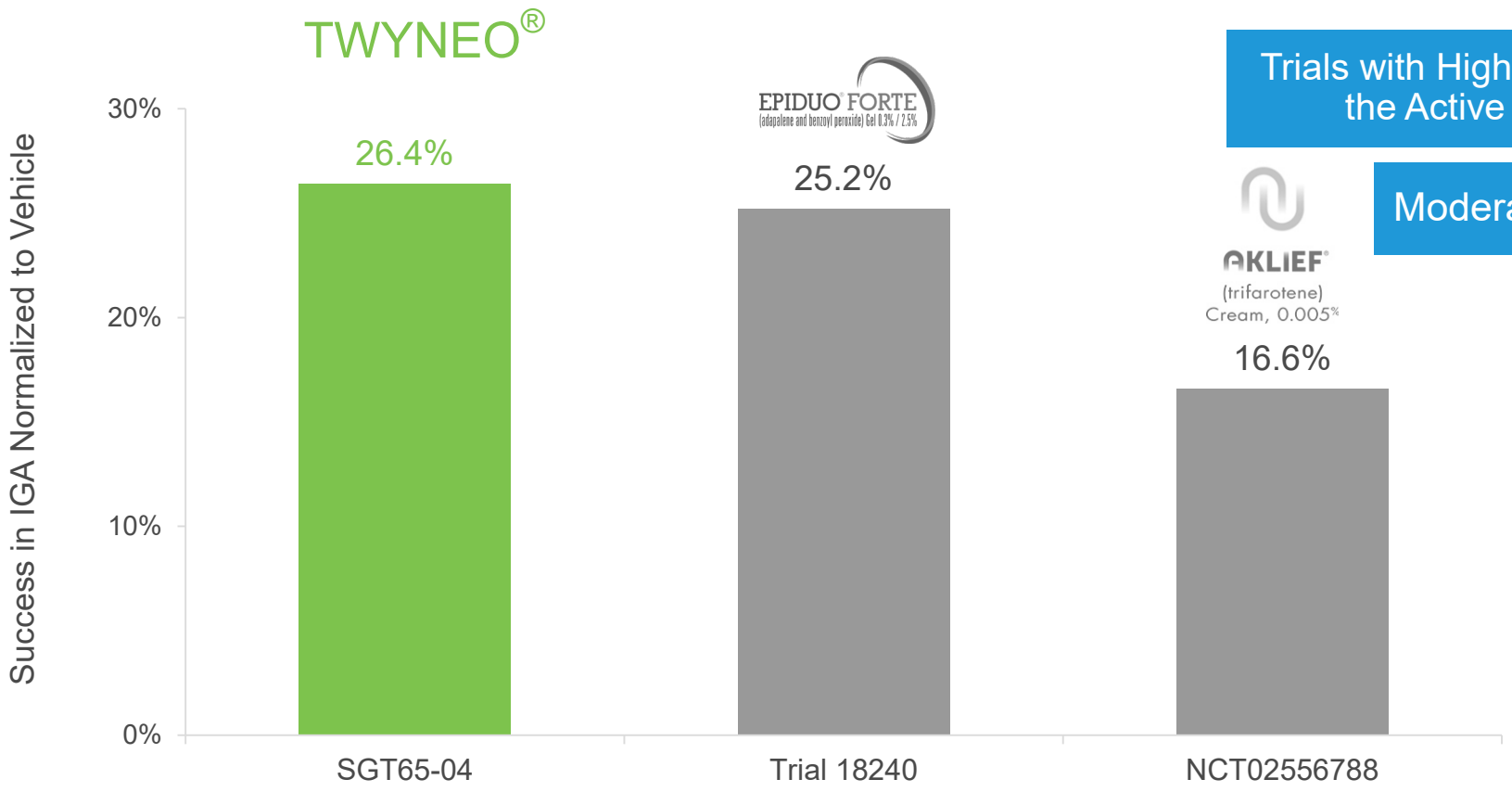
SIDE-BY-SIDE WITH HISTORICAL RESULTS*

SUCCESS IN IGA



Trials with Highest Difference in IGA Between the Active Arm and the Vehicle Arm

Moderate Subjects at Baseline Only

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PRIMARILY MILD-TO-MODERATE

TREATMENT-EMERGENT ADVERSE EVENTS

Subjects with Treatment-Emergent Adverse Events (TEAEs)	Study 65-04		Study 65-05	
	TWYNEO (n=274)	Vehicle (n=139)	TWYNEO (n=281)	Vehicle (n=138)
Treatment-Related Mild & Moderate TEAEs	46 (16.8%)[^]	2 (1.4%)[^]	39 (13.8%)[^]	3 (2.2%)
Treatment-Related Severe TEAEs	4 (1.5%)[¥]	0	1 (0.4%)[*]	0
Not-Related TEAEs	19 (6.9%)	13 (9.4%)	27 (9.6%)	15 (10.9%)
Missing Subjects	0	0	1 (0.4%)	0
Not-Related Serious TEAEs	0	0	1 (0.4%)[†]	1 (0.7%)[‡]

[^]Most frequently reported adverse events being application site pain, dryness, erythema and exfoliation

[¥]Two subjects with application site pain, a third subject with application site pain and exfoliation, and fourth subject with application site pruritus

[*]One subject with application site pain, dryness and pruritus

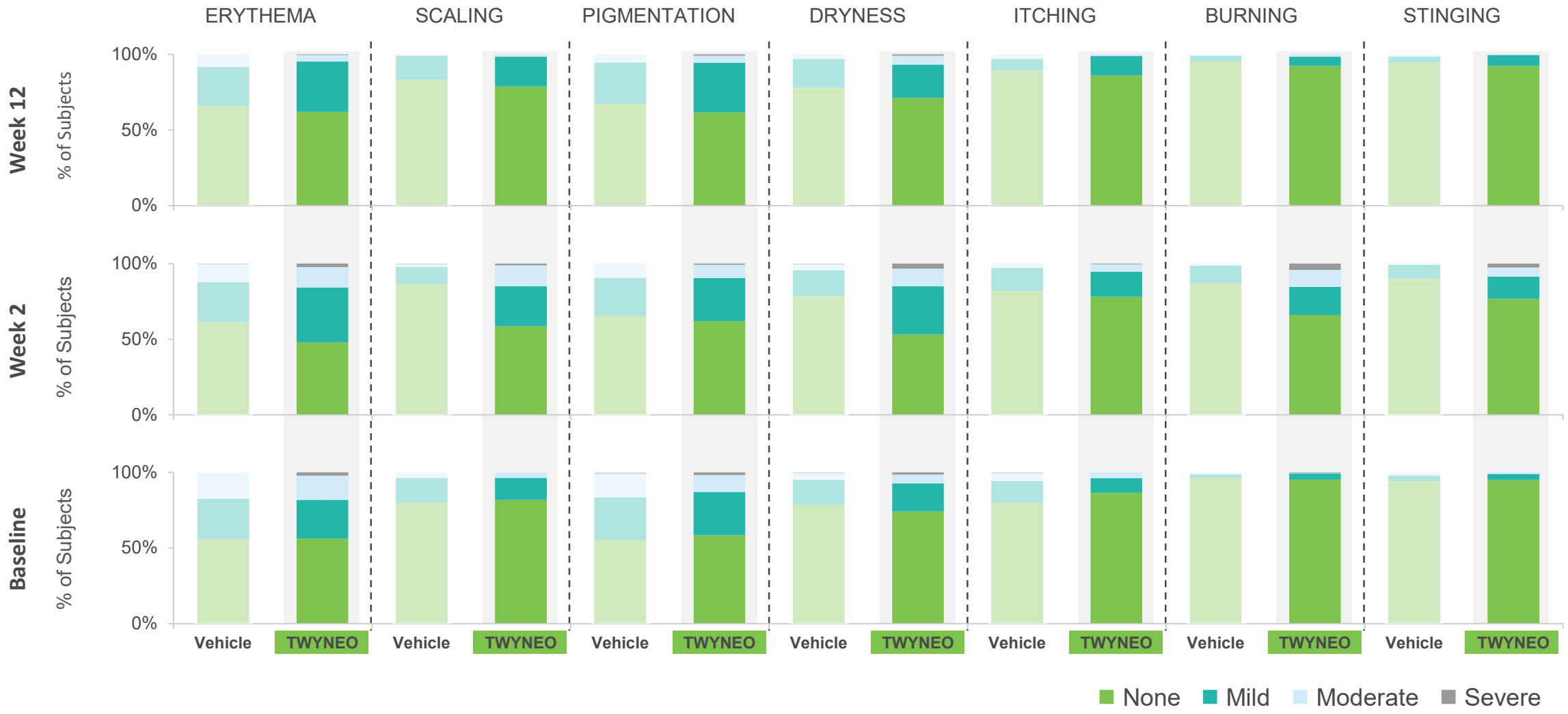
[†]One subject with depression

[‡]One subject with depression, bipolar II disorder and conduct disorder

MILD AND IMPROVED OVER TIME

LOCAL SKIN REACTIONS

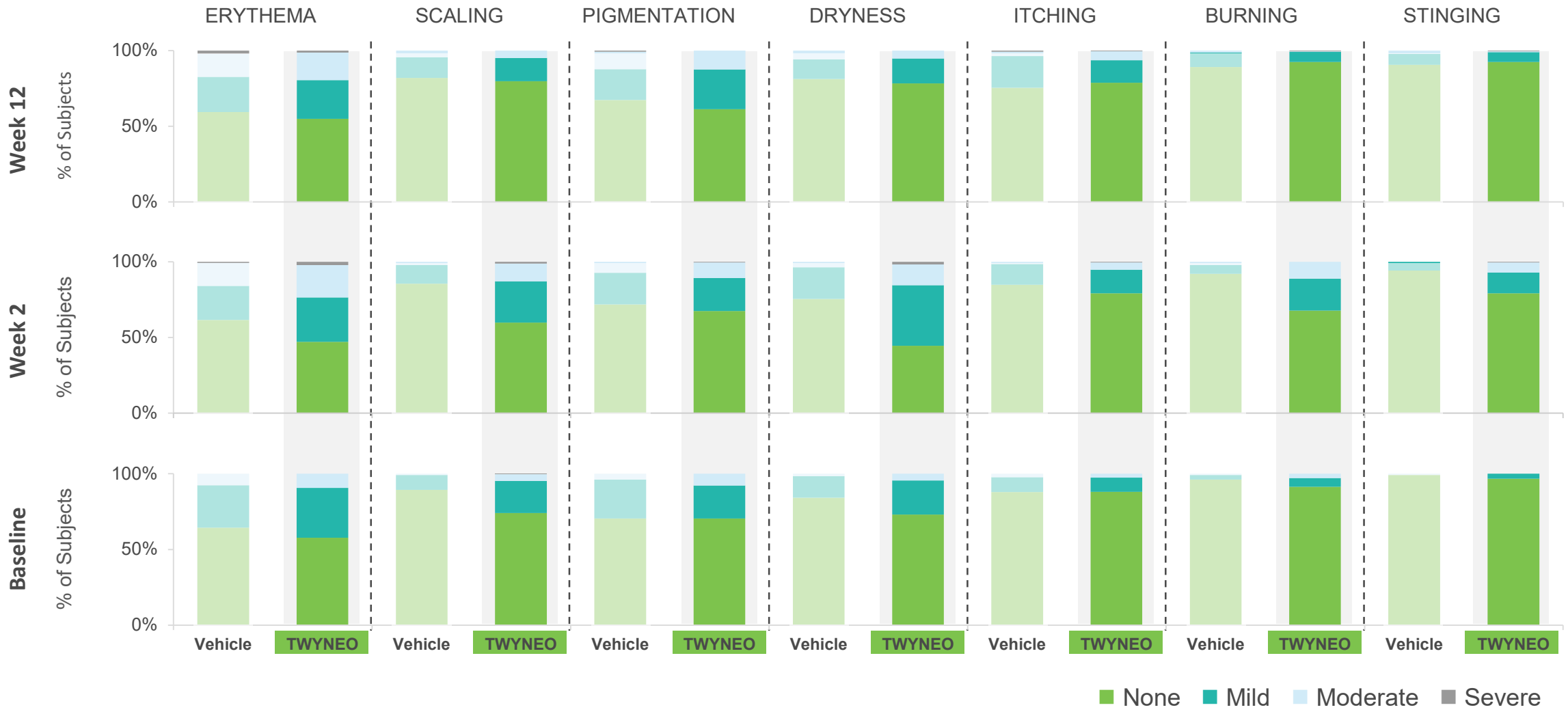
Study 65-04



MILD AND IMPROVED OVER TIME

LOCAL SKIN REACTIONS

Study 65-05



BROAD LONG-TERM INTELLECUAL PROPERTY ESTATE

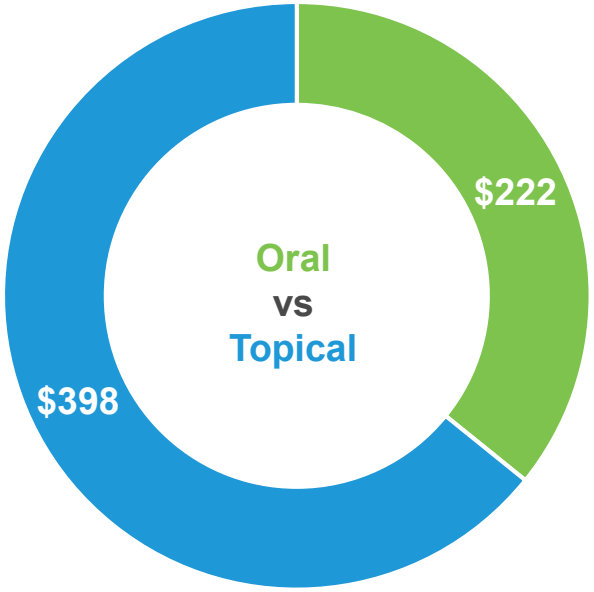
- EPSOLAY is protected until 2032 by granted patents and until 2040 by pending patent
- TWYNEO is protected until 2038 by granted patents and until 2040 by pending patent
- 22 pending patent applications for erlotinib, tapinarof and roflumilast in various skin conditions (as of July 30, 2020)

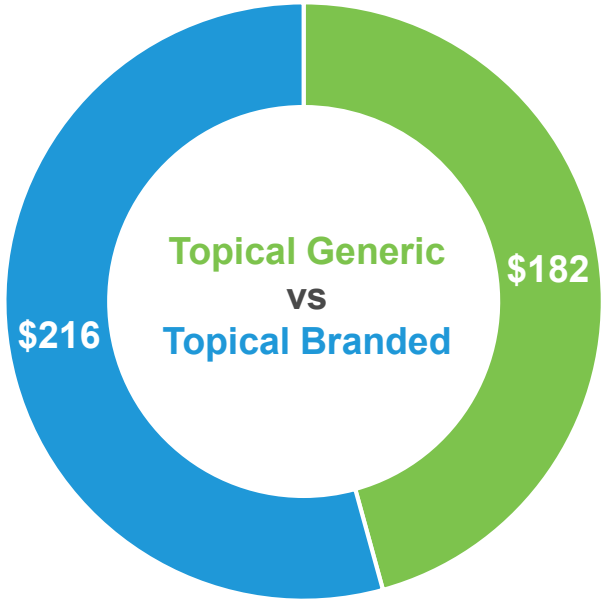
COMMERCIALIZATION
&
FINANCIALS

2019 (IN $US)

PAPULOPUSTULAR ROSACEA US MARKET

Branded Topicals are Important Segment



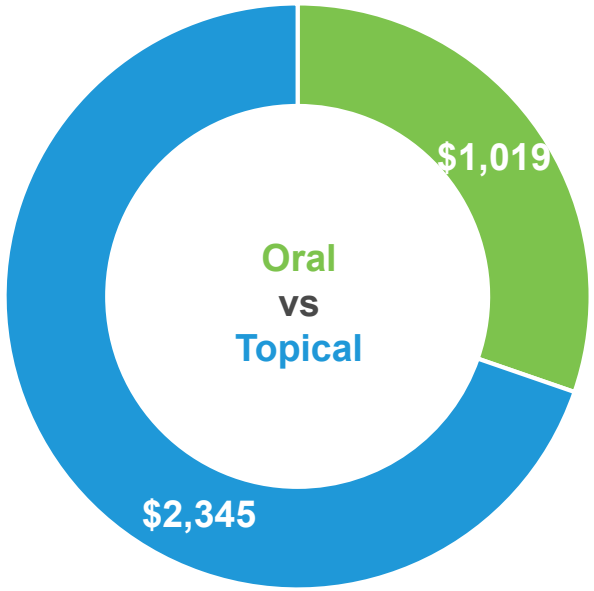


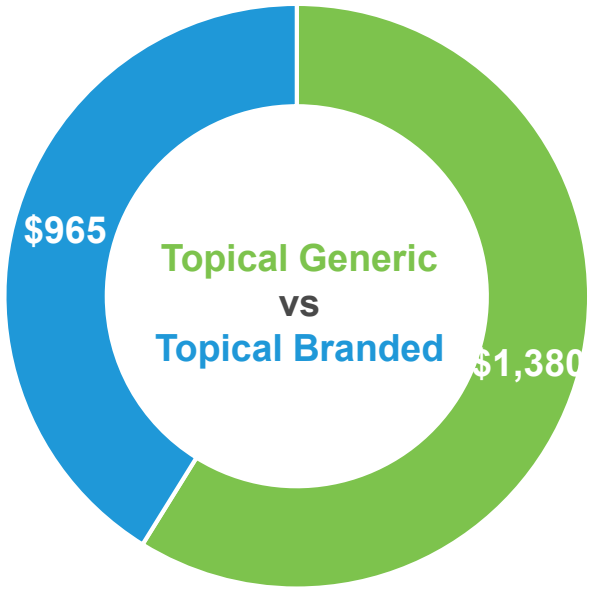
Source: IQVIA; Year 2019

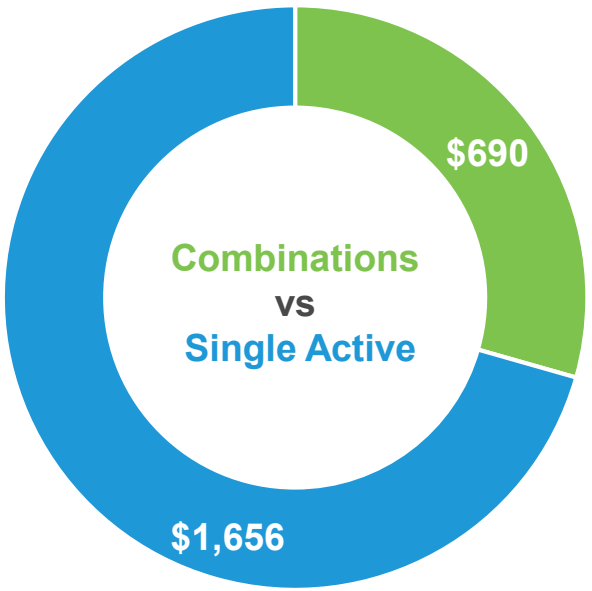
2019 (IN $US)

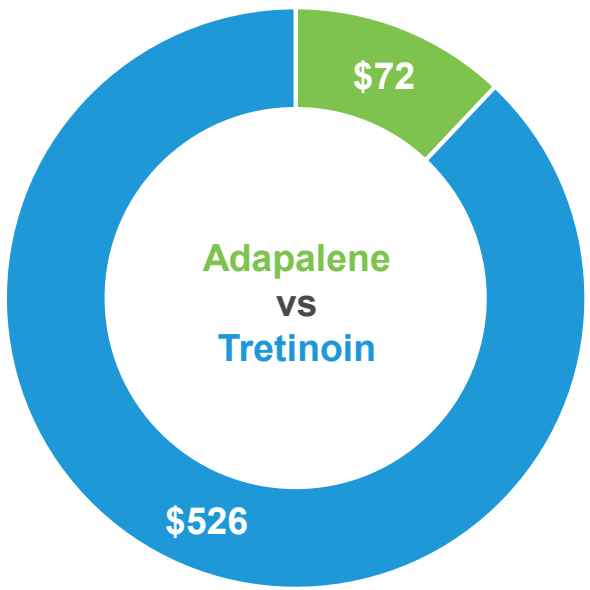
ACNE VULGARIS US MARKET

Branded Topical Combinations are Important Segment
Tretinoin is the Most Prescribed Topical Retinoid









Source: IQVIA; Year 2019

EPSOLAY & TWYNEO ARE COMPELLING ENOUGH TO DRIVE PAYOR COVERAGE

EPSOLAY®

- “All respondents recognized the product as a unique molecule for rosacea”
- “Near unanimous recognition as additional option for rosacea”
- “If priced and rebated similarly to the covered products, coverage seems likely”

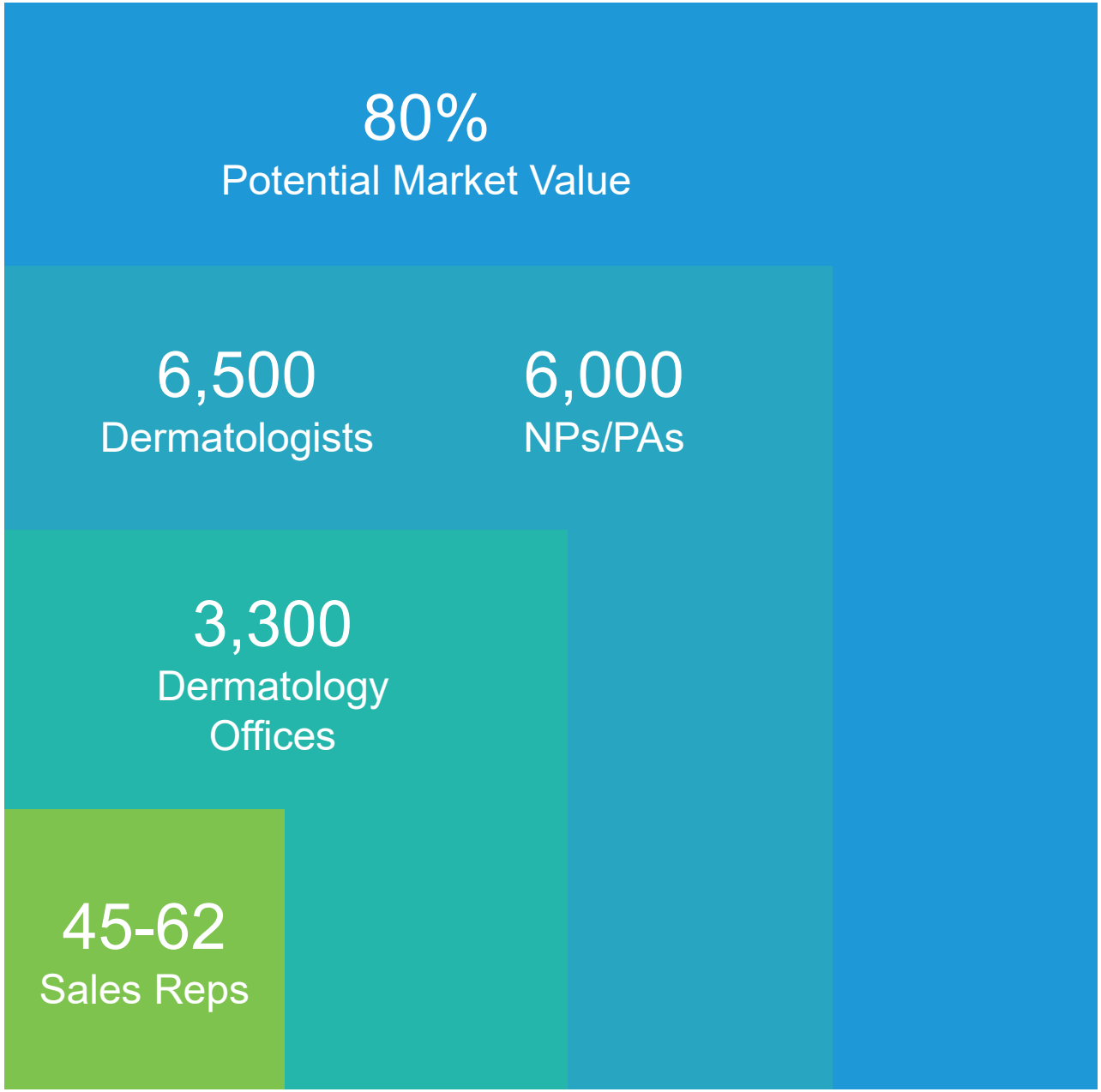
TWYNEO®

- “Unique MOA will qualify it for formulary addition, price will determine its position”
- “If you price it like Epiduo, it will be managed like Epiduo”
- “If similarly priced with better tolerability, it would become preferred brand”

Sources: NaviSync LLC (Morristown, NJ), Sol-Gel Managed Market Access for Acne and Rosacea, July 2019
NaviSync LLC (Morristown, NJ), Twyneo Payer Market Research Topline Summary, February 2020

LEAN COMMERCIALIZATION APPROACH

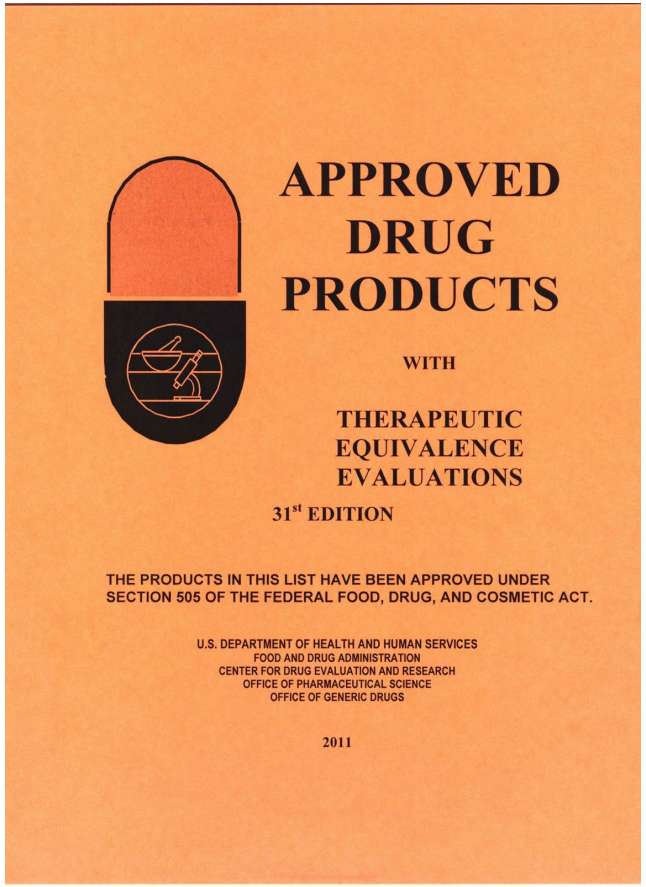
Efficiently Reaching 80% Dermatology TRx in Acne and Papulopustular Rosacea



Source: Syneos Health (Morrisville, NC), Sol-Gel Market Analysis, June 2019

LUCRATIVE GENERIC PIPELINE

- Ten collaborations with Perrigo with 50/50 gross profit sharing
- In February 2019, Perrigo launched acyclovir cream, 5%, developed in collaboration with Sol-Gel. As of today this is the only generic product on the market other than an authorized generic. This product generated $22.8 million in net revenues in 2019 and $4.5 million in net revenues in 1H/20
- The launch of another partnered generic drug is expected in 2Q/21. In 2019, sales of the brand name product exceeded $180 million in the US



STRONG FINANCIAL PROFILE

- Gross proceeds of $86.3 million raised in IPO on February 5, 2018
- Gross proceeds of $11.5 and $23 million raised in public follow-on offerings on August 12, 2019 and February 13, 2020, respectively
- Additional $5 million investment by controlling shareholder in April 2020
- 22,996,948 Ordinary Shares as of June 30, 2020
- $4.5 million net revenues from generic products in 1H/2020
- $66.0 million in cash and investments as of June 30, 2020
- Cash resources will enable funding of operational and capital expenditure requirements into the third quarter of 2021

LOOKING FORWARD

WHAT'S AHEAD

SGT-210

PALMOPLANTAR KERATODERMA

Palmoplantar keratoderma (PPK) is a group of skin conditions characterized by thickening of the skin on the palms of the hands and soles of the feet

Phase I proof-of-concept study for erlotinib gel in PPK is ongoing

RECENT MILESTONES & NEXT STEPS

2019

- DONE Revenues from generics
- DONE Phase III results for EPSOLAY
- DONE Granted patent for TWYNEO until 2038

2020

- IN PROGRESS Phase I study for SGT-210
- DONE NDA submission for EPSOLAY
- DONE Phase III results for TWYNEO
- NDA submission for TWYNEO

2021

- Phase I results for SGT-210
- Potential FDA approval and launch of EPSOLAY
- Potential FDA approval and launch of TWYNEO

Sol-Gel

Advanced Topical Therapy

NASDAQ: SLGL